



eSun Holdings Limited

(Incorporated in Bermuda with limited liability)

Discloseable Transaction Involving Issue of New Shares & Resumption of Trading

eSun Holdings Limited as purchaser has entered into an agreement for sale and purchase of shares with Double Classic Ltd., Liu Wing Leung, Jerry and Chong Koon Nam as vendors on 15th May, 2003 for the acquisition of 100% of the issued share capital of Splendid Agents Limited at a total consideration of HK\$50,000,001 to be satisfied by the issue and allotment of 100,000,002 shares in eSun Holdings Limited to the vendors at HK\$0.50 per share.

This transaction constitutes a discloseable transaction as defined in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and therefore a circular containing further details of this transaction will be despatched to shareholders of eSun Holdings Limited on or before 7th June, 2003.

Trading of shares of eSun Holdings Limited has been suspended since 15th May, 2003 and the Company has applied for the resumption of trading pending the publication of this Announcement.

A. DETAILS OF THE TRANSACTION

1. Vendors:

Each of Liu Wing Leung, Jerry, Chong Koon Nam, Double Classic Ltd. (the "Vendors" and each a "Vendor") and the beneficial owner of Double Classic Ltd. is not a connected person as defined in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"). The Vendors (through Splendid Agents Limited ("Splendid")) and Skymaster International Inc. ("Skymaster"), a wholly-owned subsidiary of the Company own shares in Media Asia Holdings Limited ("MAH"). Liu Wing Leung, Jerry and Chong Koon Nam together with Wellington Fung, the controlling shareholder of Double Classic Ltd. are founders of MAH. Neither Double Classic Ltd. nor Wellington Fung has any existing shares of the Company. Each of Liu Wing Leung, Jerry and Chong Koon Nam owns shares of the Company, each not exceeding 1% of the issued capital of the Company.

2. Purchaser:

The Company.

3. Subject of Acquisition:

1 share of US\$1.00 in the issued share capital of Splendid from each of the Vendors (in aggregate 3 shares in and representing 100% of the issued share capital of Splendid).

4. Consideration:

The consideration for this transaction is HK\$50,000,001 (the "Consideration"). The Consideration and the terms of the agreement for sale and purchase of shares (the "Agreement") were determined following arm's length negotiation with the Vendors based on normal commercial terms. The Consideration is agreed on the assessment of the value of MAH by the Company (with reference to the financial performance of MAH as reflected in its profits in the track record of the two previous years and its profit potential in the future) and the par and trading values of the Consideration Shares. (Based on the closing price of the shares of the Company as quoted on The Stock Exchange of Hong Kong Limited ("the Stock Exchange") on 14th May, 2003 which is the latest practicable date before the date of the Agreement which is HK\$0.186 per share, the amount of the Consideration is HK\$18,600,000.372.) Based on the aforesaid, the directors of the Company take the view that the Consideration is fair and reasonable.

5. Consideration Shares:

The Consideration will be satisfied by the issue and allotment of 100,000,002 new shares of HK\$0.50 each in the Company (the "Consideration Shares") at an issue price of HK\$0.50 per share. Each of the Vendors will receive 33,333,334 Consideration Shares, pro rata to his/its interest in Splendid. Each of the Vendors undertakes not to dispose of the Consideration Shares allotted to him/it at any time within 6 months from the Completion Date (as hereinafter defined) and thereafter on the basis of consultation with the Company for the purposes of preserving an orderly market in the shares of the Company. None of the Vendors will as a result of the transaction own 10% or more of the enlarged issued share capital of the Company.

The issue price represents a 168.82% net premium to the closing price of the shares of the Company of HK\$0.186 per share as quoted on the Stock Exchange on 14th May, 2003 which is the latest practicable date before the date of the Agreement.

6. Status of Consideration Shares:

The Consideration Shares when issued will rank pari passu in all respects with the then existing shares of the Company and will be issued pursuant to the general mandate on the issue of shares granted to the directors by the shareholders of the Company at the 2002 annual general meeting held on 27th May, 2002. The Consideration Shares represent approximately 17.51% of the existing issued share capital of the Company and approximately 14.90% of the issued share capital of the Company as enlarged by the issue of the Consideration Shares.

The Company will apply to the Listing Committee of the Stock Exchange for the listing of and permission to deal in the Consideration Shares.

7. Conditions:

The completion of the Agreement shall take place within 3 business days upon the following becoming unconditional ("the Completion Date"):

The Listing Committee of the Stock Exchange granting or agreeing to grant (either unconditionally or subject only to conditions to which the Purchaser shall reasonably accept) listing of and permission to deal in the Consideration Shares.

The above condition will have to be fulfilled on or before 30th June, 2003.

8. Directors:

Upon completion of the sale and purchase of shares under the Agreement, all existing directors of Splendid will resign and new directors will be appointed by the Company to Splendid. However, since the Vendors still have interest in MAH through their shareholdings in the Company, the existing directorship of MAH will remain unchanged. Furthermore, no new directors will be appointed by the Company to MAH since the Company has increased its influence in MAH by increase of its shareholding and the daily management will continue to be run by Liu Wing Leung, Jerry, Chong Koon Nam and Wellington Fung, the founders of MAH.

B. INFORMATION ON SPLENDID

Splendid is a limited company incorporated in the British Virgin Islands. Splendid is the registered and beneficial owner of 1,000 shares in MAH representing 14.64% of the entire issued capital of MAH. Splendid's only business is its investment in MAH.

C. REASONS FOR THE TRANSACTION

The Company is already a substantial shareholder of MAH. Its wholly-owned subsidiary, Skymaster owns a 35.13% interest in MAH. The Company intends to increase its stake in MAH, and as a result of the transaction, the Company will have an attributable interest of 49.77% in the entire issued share capital of MAH. Mr. Lim Por Yen, a director of the Company, owns a 5.75% interest in MAH. Save as disclosed in this announcement, no other shareholder in MAH is a connected person to the Company (as defined in the Listing Rules).

MAH is a company engaged in the investment, production and distribution of films and related products. It produced and owns a number of best selling film titles, including "Infernal Affairs", the film that won seven Hong Kong Film Awards for 2002: best movie, best screenplay, best director, best actor, best supporting actor, best editing and best theme song. Besides production of films, MAH is a major film distributor, marketing local films in overseas markets, and sourcing foreign films for Hong Kong screens. It is also engaged in the sales of video and digital discs of films and local concerts.

MAH has carried on a profitable business in the past two years with an audited net profit attributable to the shareholders of HK\$20,439,558 for the year ended 31st December, 2001 and an unaudited net profit attributable to shareholders of HK\$20,371,833 for the year ended 31st December, 2002. MAH has an audited net asset value of HK\$125,894,210 as at 31st December, 2001 and an unaudited net asset value of HK\$146,266,043 as at 31st December, 2002.

D. GENERAL INFORMATION

The Company and its subsidiaries are engaged principally in the development and operation of, and investment in, satellite television, media, entertainment and other technology-oriented business, the provision of advertising agency services and the management of hotel operations.

This press notice appears for information only and does not constitute an invitation of offer to acquire, purchase or subscribe for the shares.

This transaction constitutes a discloseable transaction as defined in the Listing Rules and therefore a circular containing further details of this transaction will be despatched to shareholders of the Company on or before 7th June, 2003.

E. RESUMPTION OF TRADING OF SHARES

Trading of shares of the Company has been suspended since 15th May, 2003 and the Company has applied for the resumption of trading pending the publication of this announcement.

By Order of the Board
eSun Holdings Limited
Yeung Kam Hoi
Company Secretary